



**ACCREDITING
COMMISSION
for COMMUNITY and
JUNIOR COLLEGES**

*Western Association
of Schools and Colleges*

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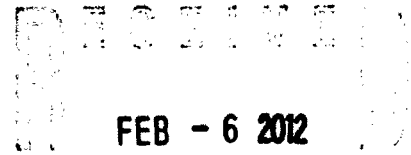
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February 1, 2012

Ms. Denise Whittaker
Interim Superintendent/President
Palo Verde College
One College Drive
Blythe, CA 92225



S. [unclear]
PALO VERDE COLLEGE

Dear President Whittaker:

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, at its meeting January 10-12, 2012, reviewed the Special Report submitted by Palo Verde College on December 15, 2011. The purpose of this review was to examine the institution's response to a November 15, 2011 Commission letter requesting information about the financial condition of Palo Verde College. This inquiry stemmed from information given to the Commission by third parties and a conference presentation on college financial conditions that was provided by a Palo Verde College representative.

The Commission acted to impose **Probation** on Palo Verde College due to deficiencies associated with Standard IIID, Standard IV.B.1.c., and Eligibility Requirement 17. Palo Verde College is asked to prepare an update to its December 15, 2011 Special Report to the Commission by **April 1, 2012**. The Commission acted to order a Special Visit Team to visit the institution in April 2012 to verify the institution's financial condition and actions taken or planned to resolve the financial and management issues identified in the College's 2011 Special Report.

Probation is imposed when the Commission finds that an institution deviates significantly from the Commission's Eligibility Requirements, Accreditation Standards, or Commission policies or fails to respond to conditions imposed upon it by the Commission. The accredited status of the institution continues during the probation period.

Specifically, the college Special Report dated December 15, 2011, indicates that Palo Verde College has debt obligations that are so significant as to threaten the institution's ability to support student learning programs and services and to provide a reasonable expectation of both short term and long term financial solvency. (Standard IIID, Eligibility Requirement 17). The institution's debt also appears to be such that it has negatively impact the institution's ability to have sufficient cash flow and reserves to maintain stability.

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The institution's response to date indicates it has not yet developed realistic plans to meet financial obligations (Standard III.D.2.c.), but is in the process of developing those plans. The Commission acknowledges that Palo Verde College self-identified its financial problems and has begun to take steps to address them by hiring a financial consultant. However, the institution's financial instability at this time, and the financial management that led to this condition, warrant the sanction imposed.

I wish to inform you that under U.S. Department of Education regulations, institutions out of compliance with standards or on sanction are expected to correct deficiencies within a two-year period or the Commission must take action to terminate accreditation. Palo Verde College should resolve the deficiencies noted by **January 2014** or the Commission will be compelled to act.

The Commission requires that all accreditation reports and Commission action letters be made available to students and the public. Palo Verde College should place a copy of its Special Report of December 15, 2011, and this action letter, on its website.

Finally, ACCJC staff is available to assist the College with consultation and advice on the requirements of the Commission noted above.

On behalf of the Commission, I wish to express my continuing interest in the institution's educational quality and students' success. Professional self-regulation is the most effective means of assuring institutional integrity, effectiveness, and quality.

Sincerely,



Barbara A. Beno, Ph.D.
President

BAB/tl

cc: Mr. Brian Thieboux, Accreditation Liaison Officer
Board President, Palo Verde Community College District
Ms. Martina Fernandez-Rosario, U.S.D.E.